

United States Government Supplemental Information for the Year Ended September 30, 2001 (Unaudited)

Deferred Maintenance

“Deferred Maintenance” is the estimated cost to bring Government-owned property to an acceptable condition. That results from not performing maintenance on a timely basis. Deferred maintenance excludes the cost of expanding the capacity of assets or upgrading them to serve needs different from those originally intended. The consequences of not performing regular maintenance could include increased safety hazards, poor service to the public, higher costs in the future, and inefficient operations. Estimated deferred maintenance costs are not accrued in the Statements of Net Cost or recognized as a liability on the Balance Sheets.

The amounts disclosed for deferred maintenance on the table below have been measured using the following three methods:

- Condition assessment surveys are periodic inspections of the Government-owned property to determine the current condition and estimated cost to bring the property to an acceptable condition.
- Life-cycle cost forecast is an acquisition or procurement technique that considers operation, maintenance, and other costs in addition to the acquisition cost of assets.
- Management analysis method is founded on inflation-adjusted reductions in maintenance funding since the base year.

Some deferred maintenance has been deemed critical. Such amounts and conditions are defined by the individual agencies with responsibility for the safekeeping of these assets. Low and high estimates are based on the materiality of the estimated cost of returning the asset to the acceptable condition versus the total value of the corresponding asset.

(In billions of dollars)	Deferred Maintenance Cost Range		Critical Maintenance
	Low Estimate	High Estimate	
Asset Category:			
Buildings, structures, and facilities	10.2	25.0	4.4
Furniture, fixtures, and equipment.....	0.4	1.1	0.7
Assets under capital lease	-	-	-
General property, plant and equipment land.....	-	-	-
Other general property, plant and equipment	-	0.2	-
Total general property, plant and equipment	<u>10.6</u>	<u>26.3</u>	<u>5.1</u>
Heritage assets.....	0.6	1.0	-
National defense assets	1.1	1.2	-
Stewardship land	-	-	-
Total stewardship assets.....	<u>1.7</u>	<u>2.2</u>	<u>-</u>
Total deferred maintenance	<u>12.3</u>	<u>28.5</u>	<u>5.1</u>

Unexpended Budget Authority

“Unexpended Budget Authority” is the sum of the unobligated and obligated, but unliquidated, budget authority.

Unobligated budget authority, including trust fund balances, is the cumulative amount of budget authority that is not obligated and that remains available for obligation. In 1-year accounts, the unobligated balance is not available for new obligations after the end of the fiscal year. In multiyear accounts, the obligated balance may be carried forward and remains available for obligation for the period specified. In no-year accounts, the unobligated balance is carried forward until specifically rescinded by law or until the purposes for which it was provided have been accomplished. The total unobligated budget authority amount balance for fiscal 2001 is \$341 billion.

Obligated budget authority is the cumulative amount of budget authority that has been obligated but not liquidated. This balance can be carried forward for a maximum of 5 years after the appropriation has expired. The total obligated budget authority amount balance for fiscal 2001 is \$693 billion.

For further information for Unexpended Budget Authority concerning unobligated and obligated Budget Authority, please refer to the corresponding Agency Financial Statements.

Tax Burden

The Internal Revenue Code provides for progressive rates of tax, whereby higher incomes are generally subject to higher rates of tax. The tables present the latest available information on income tax and related income, deductions and credit for individuals by income level and for corporations by size of assets.

Individual Income Tax Returns for Tax Year 1999

	Size of Adjusted Gross Income			
	Under \$30,000	\$30,000 under \$75,000	\$75,000 under \$150,000	Greater than \$150,000
Tax burden, percentage of gross income	6%	11%	15%	25%
Average tax per return.....	\$795	\$5,318	\$15,354	\$106,186
Percent of total deductions on taxable income	32%	32%	19%	17%
Percent of total credits against tax liability	23%	44%	16%	17%

Corporation Income Tax Returns for Tax Year 1998

	Size of Total Assets			
	Under \$10 million	\$10 million under \$50 million	\$50 million under \$250 million	Greater than \$250 million
Tax burden, percentage of gross income	0.37%	0.59%	1.09%	1.43%
Average tax per return.....	\$3,600	\$182,309	\$839,925	\$14,648,677
Percent of total deductions on taxable income.....	9%	4%	7%	80%
Percent of total credits against tax liability	28%	9%	8%	55%

For further information, including greater detail for the above tables, please refer to the Financial Statements of the Department of the Treasury—Accountability Report—Supplemental Information section: Other Accompanying Information. The Internal Revenue Service (IRS) compiles this information.

Other Information (Unaudited)

Other Claims for Refunds

Management has estimated amounts that may be paid out as other claims for tax refunds. This estimate represents an amount (principal and interest) that may be paid for claims pending judicial review by the Federal courts or, internally, by appeals. The total estimated payout (including principal and interest) for claims pending judicial review by the Federal courts is \$7.7 billion and \$8.4 billion for fiscal 2001 and 2000, respectively. For those under appeal, the estimated payout is \$13.6 billion and \$13.5 billion for fiscal 2001 and 2000, respectively. Although these refund claims have been deemed to be probable, they do not meet the criteria in Statements of Federal Financial Accounting Standards (SFFAS) No. 5 for reporting the amounts in the Balance Sheets or for disclosure in the Notes to the Financial Statements. However, they meet the criteria in SFFAS No. 7 for inclusion as supplemental information. To the extent judgments against the Government for these claims prompt other similarly situated taxpayers to file similar refund claims, these amounts could become significantly greater.

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Appendix: List of Significant Government Entities Included and Excluded from the Financial Statements

This *Financial Report* includes the executive branch with their corresponding departments and entities and parts of the legislative and judicial branches, and other independent establishments and Government corporations. Excluded are privately owned Government-sponsored enterprises such as the Federal Home Loan Banks and the Federal National Mortgage Association. The Federal Reserve System is excluded because organizations and functions pertaining to monetary policy are traditionally separate from, and independent of, other central Government organizations and functions.

Significant Entities Included in these Statements:

Department of Agriculture (USDA) www.usda.gov	Commodity Futures Trading Commission (CFTC) www.cftc.gov
Department of Commerce (DOC) www.doc.gov	Environmental Protection Agency (EPA) www.epa.gov
Department of Defense (DOD) www.defenselink.mil	Executive Office of the President
Department of Education (ED) www.ed.gov	Export-Import Bank of the United States (Ex-Im Bank) www.exim.gov
Department of Energy (DOE) www.energy.gov	Farm Credit Administration (FCA) www.fca.gov
Department of Health and Human Services (HHS) www.hhs.gov	Federal Communications Commission (FCC) www.fcc.gov
Department of Housing and Urban Development (HUD) www.hud.gov	Federal Deposit Insurance Corporation (FDIC) www.fdic.gov
Department of the Interior (DOI) www.doi.gov	Federal Emergency Management Agency (FEMA) www.fema.gov
Department of Justice (DOJ) www.usdoj.gov	Federal Trade Commission (FTC) www.ftc.gov
Department of Labor (DOL) www.dol.gov	General Accounting Office (GAO) www.gao.gov
Department of State (State) www.state.gov	General Services Administration (GSA) www.gsa.gov
Department of the Air Force (Air Force) www.af.mil	Government Printing Office (GPO) www.gpo.gov
Department of the Army (Army) www.army.mil	Library of Congress (LC) www.loc.gov
Army Corps of Engineers www.usace.army.mil	National Aeronautics and Space Administration (NASA) www.nasa.gov
Department of the Navy (Navy) www.navy.mil	National Archives and Records Administration (NARA) www.nara.gov
Department of Transportation (DOT) www.dot.gov	National Credit Union Administration (NCUA) www.ncua.gov
Department of the Treasury (Treasury) www.ustreas.gov	National Science Foundation (NSF) www.nsf.gov
Department of Veterans Affairs (VA) www.va.gov	National Transportation Safety Board (NTSB) www.nts.gov
U.S. Agency for International Development (USAID) www.usaid.gov	Nuclear Regulatory Commission (NRC) www.nrc.gov
Commodity Credit Corporation (CCC)	Office of Management and Budget (OMB) www.whitehouse.gov/omb/

Entities Included, cont.

Office of Personnel Management (OPM)
www.opm.gov

Pension Benefit Guaranty Corporation (PBGC)
www.pbgc.gov

Railroad Retirement Board (RRB)
www.rrb.gov

U.S. Securities and Exchange Commission (SEC)
www.sec.gov

Small Business Administration (SBA)
www.sba.gov

Smithsonian Institution
www.si.edu

Social Security Administration (SSA)
www.ssa.gov

Tennessee Valley Authority (TVA)
www.tva.gov

U.S. Postal Service (USPS)
www.usps.gov

Significant Entities Excluded from these Statements:

Army and Air Force Exchange Service
Board of Governors of the Federal Reserve System
(Including the Federal Reserve Banks)
Federal National Mortgage Association (Fannie Mae)
Farm Credit System
Federal Home Loan Banks
Federal Retirement Thrift Investment Board
Financing Corporation

Federal Home Loan Mortgage Corporation
(Freddie Mac)
Marine Corps Exchange
Navy Exchange Service Command
Resolution Funding Corporation
U.S.A. Education Inc. (Sallie Mae)
Thrift Savings Fund